Rs. 48,24,140 is expected to close with an asset of Rs. 53,29,446, and we expect that at the end of 1103 we will have a net surplus of Rs. 54,87,546 to the credit of the State after providing for all the existing liabilities.

Sir, I have done with the State budget. I hope that the House will regard the budget as a satisfactory one. The disafforestation of the Chittur Kanom areas and their assignment, the improvement of the Harbour, etc., will, it is hoped, improve the resources of the State; the question of levying an income tax from non-agricultural income is under consideration; the expenditure is being kept under strict control; more liberal grants have been provided for next year in all the Departments affecting the material and moral progress of the people—Agriculture, Panchayats, Education, Medical, Public Works and Industries. Let me conclude with the hope that the improvement which the budget discloses will continue.

CRANGANUR.

I shall now speak a few words on the Cranganur Budget.

The Principality of Cranganur, though financially autonomous, is for all administrative purposes treated as a part and parcel of the State, and the policy underlying the working of the several departments there is, accordingly, the same as that in the State. Government have had under consideration for some time past the question of extending the Panchayat administration to Cranganur also, and they have ordered the constitution of two Panchayats in that Taluk. As it is not yet definitely known, however, as to what all establishments and works are to be transferred to the Panchayats from the Land Revenue and Medical and Sanitation Departments, it has not been possible to open a separate head and provide the necessary allotment thereunder. It will be done in the course of the year.

As regards the financial position of the principality, I think the House will agree with me when I say that it is not very encouraging. The revenue of the Taluk is, as already stated by me last year, inelastic in its nature, while the expenditure has naturally a tendency to rise. It is with great difficulty that the Government have been keeping the expenditure within the income during the last few years. In 1101 we budgetted for a revenue of Rs. 1,86,340 and an expenditure of Rs 1,92,470, and thus expected a deficit of Rs. 6,130. The actual transactions of the year, however, fortunately resulted in a surplus of Rs. 12,851 due to an increase in revenue over the budget

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estimate by Rs. 1,907 and a fall in expenditure by Rs. 17,074. The head that mainly contributed to the increase in revenue was 'Stamps', and the heads responsible for the large decrease in expenditure were 'Public Works' and 'Education.'

In the current year the budget was so framed as to leave a surplus of Rs. 9,100, the receipts and expenditure anticipated being Rs. 1,87,160 and Rs. 1,78,060 respectively. According to the revised estimate, revenue is expected to exceed the budget estimate by Rs. 1,090 and the expenditure to fall short of the budget by Rs. 1,930 thus raising the net surplus to Rs. 12,120.

'Education' anticipates a decrease in revenue of Rs. 2,600 due to a fall in the strength of pupils and also to the grant of more half-fee concessions. Against this decrease, increases are expected under 'Stamp Revenue', 'Interest' and 'Public Works' owing to larger sale of general stamps and court-fee papers, more investments and lease of landing places respectively. The variations under the other heads are so small that they do not call for any special remarks.

The revised estimate of disbursements comes to Rs. 1,76,130 only as against the budget estimate of Rs. 1,78,060, the decrease being distributed mainly among the heads 'Public Works', 'Education' and 'Sanitation and Conservancy.'

The budget estimate of receipts for 1103 has been fixed at Rs. 1,88,240 following mostly the revised estimate which amounts to Rs. 1,88,250.

Expenditure in the coming year is estimated at Rs. 1,84,990 which is in excess of the revised estimate by Rs. 8,860. The heads responsible for the increase are mainly 'Public Works' and 'Miscellaneous.' Provision has been made under 'Public Works' only for such works as are really urgent, with due regard to the finances of the Principality. Following the provision made in the State budget, a lump provision of Rs. 2,000 has been made under 'Miscellaneous', for the revision of the low-paid establishments on receipt of the report of the Special Finance Committee. The variations under the other heads are so small that I do not think it necessary to take up the time of the House by pointing them out here. The transactions of the year 1103 are according to the budget estimates expected to result in a surplus of Rs. 3,250. With these few observations I present to the Council the budget estimate of Cranganur for 1103.

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